



The Keys to BPM Project Success

By Derek Miers – CEO, BPM Focus

Abstract

This paper focuses on the best practices associated with Business Process Management (BPM) project success. It describes a recipe for success, from the creation of a governance oriented Steering Group and Project Selection, through Business Case Development, and on to gaining Executive Sponsorship. With business commitment to the project, the approach focuses on gaining a deep understanding of business processes, before identifying improvement opportunities and eventual implementation on a BPM Suite. Along the way, the paper highlights a wide range of best practice approaches and pitfalls to avoid.

About The Author

Derek Miers is a well-known, independent industry analyst, technology strategist, and accomplished author – publishing numerous white papers and product assessments on Business Process Management and process improvement. As Co-Chairman of BPMI.org (the leading BPM standards body committed to the development and introduction of open, royalty free, XML-based standards for business processes) he was instrumental in driving the merger of BPMI.org with the Object Management Group (OMG) and was one of the very early members of the Workflow Management Coalition (WfMC).

He has recently completed the most comprehensive review of BPM environments currently available – the [BPM Suites Report](#) (published via BP Trends). Over the years, he has carried out a wide range of consulting roles, including running hundreds of training courses (in BPM and process modeling techniques), and undertaking detailed technology selection assessments and project risk assessment studies.

Other engagements have involved the provision of strategic consulting advice – from facilitating board-level conversations, to supporting BPM project initiatives. Clients have included many of the world's largest and best known financial services companies (banks, building societies, and insurers), pharmaceutical companies, telecom providers, commercial businesses, product vendors, and governmental organizations.

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Introduction

The core driver of Business Process Management (BPM) projects is the delivery of enhanced business performance through cost reduction, increased productivity, and the ability to turn the business on a dime (agility). It is primarily a business philosophy about *people*, the way they work *together* (their business processes), the *technology* they use, and the *performance* objectives that these processes underpin. At the same time, BPM technology delivers the ability to make this vision a reality. With BPM projects springing up in most firms, a robust BPM project capability is now a competitive imperative. For those still standing on the sidelines, it is not a question of *if* they will engage in BPM oriented projects, just a question of *when*.

However, as people hear of the potential for substantial productivity improvements and the opportunities for more nimble and adaptable business operations, they are reminded of the hype that once surrounded ERP projects. Only later, to see a negative press highlight failed projects. It was not just ERP projects – CRM, SCM, Six Sigma, TQM – all of these techniques have a strong association with business processes, but have attained only patchy success rates. With experiences such as these, some question whether the benefits of BPM are real.

Regardless of the amount of hype around BPM, the vast majority of BPM technology projects **are** successful. According to Gartner, who recently surveyed BPM projects, 95% of those questioned said that their BPM projects had been successful. Yet many firms are not choosing to promote their successes in order to avoid tipping off the competition – preferring instead to keep the results a closely guarded secret. Moreover, where project failure has occurred, it has usually been self-inflicted due to misguided or poor management practices. The reality is that this potential outcome is entirely avoidable if you pay attention to the details.

This paper provides a set of best practices for Business Process Management (BPM) projects. It assumes that the reader is setting up their first BPM project – laying out the ingredients for successful projects, and offering insights on what lies ahead. While the prospect may appear daunting at first, applying the techniques provided here and employing a bit of rigor, successful BPM projects are entirely manageable and achievable.

The Core Approach

To ensure success, it is vitally important that the organization develop a repeatable BPM delivery methodology. At its heart, a methodology is a series of steps that, if followed, will dramatically improve the chances of a successful outcome. Think of a methodology as a recipe for success.

A part of this overall BPM delivery methodology is the “BPM Project Delivery Framework.” This component of the BPM delivery methodology establishes the guidelines for those tasked with managing and delivering individual BPM projects. It focuses on ensuring that projects are tackled in the right order; that they are linked to defined business objectives; that they are scoped and resourced appropriately; and that they make effective use of available BPM technology.

The BPM Project Delivery Framework should first focus on targeting a relatively simple, achievable project with a clear business benefit. Concentrating on a short, tightly scoped project allows the team to prove the viability of the BPM approach while building skills and experience. For example, the “on-boarding” process, when new hires join the firm, targets the needs of the Human Resources department. It allows them to ensure better traceability and clarity in their instructions to others in the business as they ensure that a desk is available, a PC provided, and that appropriate personnel records are established.

These aspects of the BPM Project Delivery Framework are important as they enable the BPM program to demonstrate success and establish credibility within the organization before moving on to more demanding initiatives.

In order to understand the BPM Project Delivery Framework outlined in Figure 1, it is important to take a closer look at each step. To ensure proper governance principles, a high-level, cross-functional “Steering Group” oversees the framework and the individual projects undertaken. The benefit of the Steering Group is that it establishes a respected, business-centric body that can take an objective view and set priorities appropriately. It also guarantees business ownership and an effective partnership with IT, while creating a clear organizational context for change. In the short term, the Steering Group will validate the selection of the initial project.

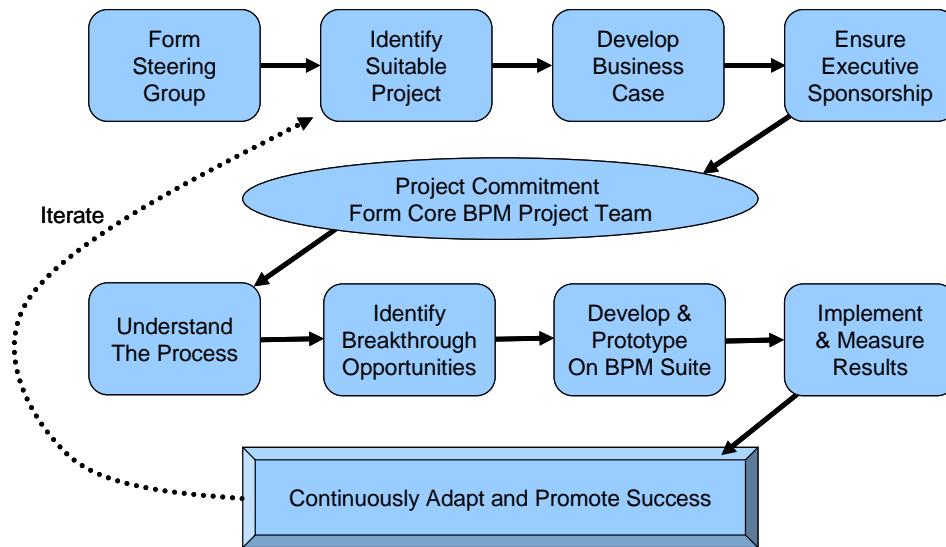


Figure 1 – A BPM Project Delivery Framework is itself a series of steps

Once the scope of the project is agreed upon, it is necessary to develop a pragmatic business case with supporting measures and benchmarks. A business case is necessary to gain executive sponsorship and to prove the value of the approach. Pinpoint the expected benefits and factor in the capabilities delivered by modern BPM technology. Executive sponsorship is an absolute necessity as there will always be political hurdles to overcome. When executives have committed to the project, form the core of the BPM project team. Before leaping into implementation, take time to really *understand* the process and look for improvement opportunities. This is important since some are tempted to automate the existing approach, complete with its existing workarounds and inefficiencies. Having understood the process, prototype the solution on the chosen BPM Suite and seek user feedback to ensure the solution is delivering what people really want. Pay close attention to the related organizational change as failure to do so will affect acceptance of the solution. Having implemented, continuously measure results and optimize to encourage a culture of iteration and controlled adaptation. Finally, promote the success across the firm, demonstrating the benefits achieved.

Step 1 – Establish the Steering Group

In order for the BPM project to move forward successfully, it is important that it be set on the right foundations. A neutral, business-oriented governance body should set the priorities, settle arguments and establish effective project principles. The Steering Group acts as that foundation. It also acts as an ongoing repository of knowledge for future BPM projects, carrying over the lessons learned. This knowledge and experience can later form the foundation of BPM Center of Excellence (CoE) for the organization.

A range of different people – forward looking IT people, visionary Line of Business managers, or high-level Executives, can initiate BPM programs. They see the power of an agile, process-oriented business structure as well as the performance, efficiency, and flexibility benefits that direct process support technology support will bring. These individuals will probably form the nucleus of the Steering Group, leading and recruiting others to the cause.

As a foundation, the Steering Group needs to include:

- The Executive head of the affected business area involved. This individual will provide the sponsorship of the initial project. Inevitably, he or she will need to overcome political obstacles and to push through the associated organizational change.
- The CIO or lead IT Executive is necessary to provide continuity into other technology programs, to represent the IT interests, and to ensure support for the high-level strategy of the firm.

- The overall BPM Program Manager (or the head of the BPM Center of Excellence, if one exists) will act as the individual responsible for day-to-day management of the initial BPM project. He or she will be responsible for implementing the decisions of the Steering Group.
- Senior LOB Managers from the functions directly affected. It is important to engage with the business units directly. With the senior LOB Managers as members of the Steering Group, any conflicting priorities are quickly resolved.

The Steering Group is the primary mechanism to engage the business in a specific project. Failure to have the business involved is a sure way of ensuring that the project will not succeed. This is because the business needs to own both the long-term change program and the solutions that come out the other end. Otherwise, through a lack of buy in, people will not fully engage in delivering success, and they will not give their full support to the project. One method to address this common change management issue is to set up a reward system that incentivizes the right behaviors and discourages the wrong ones.

To help get the process and project off to the right start, the first step is to hold a workshop for the Steering Group. This workshop provides an opportunity to get the key stakeholders together to agree on the scope of the effort and establish overall goals. Participants will want to hear about the experiences of other firms to assure themselves that they are not at the bleeding edge of organizational innovation and taking an undue risk. In support of this, it is beneficial to have an external BPM expert lead and facilitate this session, providing case study material and anecdotal evidence where necessary.

The core deliverables of the initial Steering Group workshop are:

- a) Formal commitment from the business. This involves a stated promise to dedicate suitable resources to the initiative.
- b) Clarity around how the program directly supports the strategy of the firm and assists it in achieving its Key Business Objectives (KBOs) and the specific requirements of the targeted applications.
- c) Tactical agreement on the choice of project, and consensus on scope. In support of this, the group should map out a realistic roadmap and delivery timeframe. This will help ensure that the project is not derailed later, or the team diverted toward supporting other goals.

By the time the Steering Group meets to agree on the macro issues, those driving the initiative will probably have an initial tactical project in mind. However, it is useful to take this opportunity to step back and validate that selection against the needs of the wider business, based on its longer-term goals and objectives. These may be better efficiency, enhanced customer service, or reduced cycle time. To identify the right tactical project correctly, it is first necessary to step back and understand the larger context of the firm. Having selected a tactical project, the Steering Group must then ensure that the project team maintains a laser-like focus on successful execution against the stated goals.

Step 2 – Identify a Suitable Target

One of the most important factors that will influence the likelihood of success is the choice of the initial project. The aim is to identify a quick hit opportunity with a clear business benefit. With opportunities everywhere, the challenge is to find a process that balances the following dimensions:

- a) Relatively low level of maturity – look for those processes where the tasks are poorly defined, or the flow of work is highly variable. It is much easier to improve a poorly understood process than one that is already carefully managed and measured.
- b) High Impact – look at the KBOs of the firm and assess whether an effective solution will produce a high return. This is a question of orientation. Processes that touch customers or suppliers are usually good candidates as they are often full of workarounds and inefficiency. Other clues are lack of management visibility or traceability of the work, where small errors can dramatically affect sales or profitability.
- c) Low complexity – identify situations where the complexity can be managed and bounded easily. Avoid sophisticated “end-to-end” processes. While a multi-faceted, inter-departmental scenario might create a bigger impact, these types of projects do not allow for quick iteration, extension, and ongoing improvement. These types of processes normally involve too many touch points

and provide opportunities for political infighting, delays, and increased project risk. As a result, it is best to develop skills, expertise, and other BPM capabilities before focusing on the “big-bang” projects.

A good rule of thumb is to ensure that the selected initial project can complete within 3-6 months. Otherwise, the opportunity for scope creep increases. Along with that go increased complexity and a higher risk of failure. However, the project should be important enough to avoid being seen as irrelevant. Typically, departmental targets are best as they provide an enclosed business environment (reducing complexity) while also enabling a significant and measurable impact. Remember that the key objective of the first project is to develop skills and expertise, while demonstrating to the organization that projects are entirely manageable.

There are a great many approaches to identifying the most appropriate process to start working upon. One useful technique is to consider the range of potential processes and then create a matrix to compare and contrast them using the three dimensions outlined above – maturity, impact, and complexity.

For the maturity dimension, agree on five definitions of maturity that range from the worst (1) to the very best (5). Lower maturity is characterized by higher error rates and widely distributed cycle times. High process maturity tends to imply careful management and ongoing optimization of processes. This enables the team to force differentiation between the maturity levels of the various processes (sometimes called the quality of the process). It may be useful to refer to the five levels of the Capability Maturity Model to help participants understand process maturity.

For impact, it is necessary to find a neutral mechanism that does not necessarily favor one area over another. One approach is to develop a list of Critical Success Factors (CSFs) for the organization and consider how many CSFs are supported or impacted by the process. CSFs are those things that must go right for the organization to achieve its Key Business Objectives (KBOs). Given that an organization may have several KBOs, choose the one that is most important and then develop a list of CSFs that support that objective. If the objective is money, then decide what factors will deliver the lowest cost or generate the greatest revenue. If the core objective is better customer satisfaction, then compose the list of CSFs to focus on cycle time and other things that customers care about. Against each process, decide how many CSFs it impacts. Contrast this on the matrix with the perceived level of process maturity.

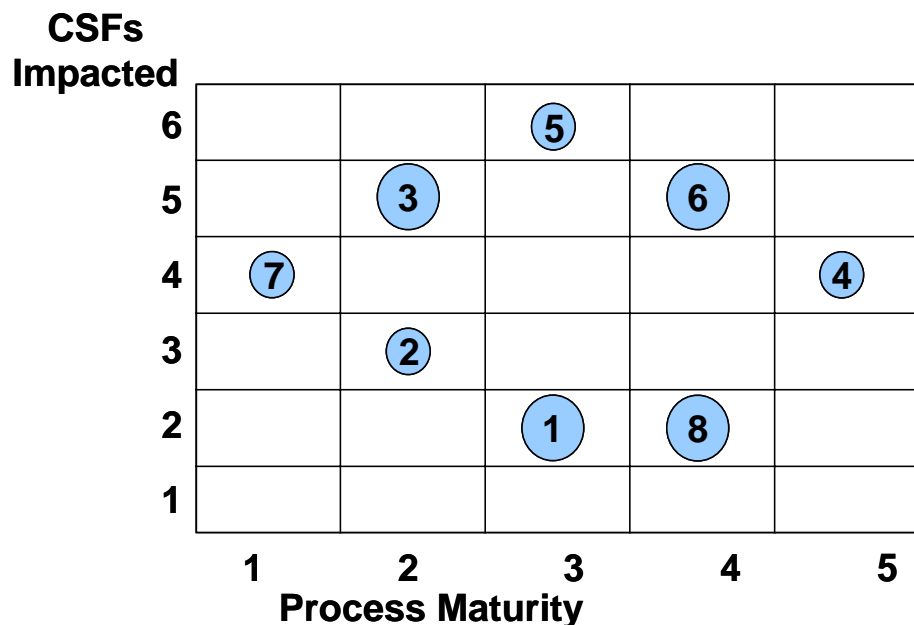


Figure 2 – Potential process improvement projects mapped against the quality levels and the numbers of CSFs

Next, apply a “big-small” indicator to the process to indicate the perceived level of complexity. Translate the results onto a grid like that shown in Figure 2. Individual processes are numbered here 1-8, positioning each process at its perceived level of process maturity, with the size of circle capturing the

level of complexity (big-small) indicator. Those processes on the top left with a small circle will probably be the easiest to manage and have the greatest impact. Relative to the other processes, they are at the lowest level of maturity, yet will have the greatest impact on the over-arching objectives of the firm.

In our fictitious example (see Figure 2), Process 3 is deemed to be more complex than Process 7, which is also at the lowest level of process maturity. Any improvement in Process 7 will probably deliver a significant benefit, while also being more manageable.

Clearly, most organizations will have multiple goals and objectives, some of which may naturally compete with each other. For example, a firm might look to increase operating efficiency by 20% and at the same time drive up customer service scores. Using the big-small indicator, it is easy to adapt the technique to focus on other areas: costs and/or top line revenue growth; customer service and/or cycle time; how long ago the process was improved; how well it operates compared to the competition; or even how it impacts overall market share. The important point is that this approach provides a framework to prioritize and explore competing desired goals and objectives.

This technique is based on a facilitated conversation with the affected business unit managers, key change agents, and IT. It does not require an extensive consulting assignment beforehand (although some neutral facilitation will probably help).

While the exercise might sound overly simplistic, the point is that it provides a relatively neutral way for all participants to discuss the issues and later arrive at an agreement. Another advantage of this particular exercise is that it helps managers look past the initial project, prioritizing a roadmap for the journey ahead. The key objective is to get business managers to establish and agree to priorities: Which processes will be dealt with first and which parts of the business will be impacted? Otherwise, there will always be a tendency to fall into the common trap of scope creep.

But even more importantly, it is the *discussion* that is most valuable. It forces the business managers to sit down and consider the real state of their respective organizations. Moreover, it provides a method to ensure that the actions of the project team are aligned with business strategy (or at least allows them to understand how their work will impact the CSFs and their relative priority).

Step 3 – Develop the Business Case

By the time the Steering Group meets, it is likely that those sponsoring the workshop will probably have prepared an outline “conceptual” business case, setting out the problems, issues, and likely outcomes for the pilot project. Assuming that the validation exercise supports the identified pilot, the outline will probably form the basis for a more detailed and extensive business case that is needed before a project commitment is made. On the other hand, the benefit may be so obvious and the risk relatively slight (say a very clear departmental ROI) that the go ahead is readily provided. As a best practice, it is a good idea to develop the business case properly and document the expected benefits. This will provide a valuable reference point later on – a compass that will promote continued focus and avoid scope creep.

The detailed business case will need to present a rational and pragmatic explanation of the current way of doing things and the benefits of an alternative approach. It will need to capture the essence of the opportunity and/or how that current structure is under threat from loss of market share and lower profits because more nimble and agile competitors are taking control of the opportunity space.

In order to win the hearts and minds of the decision makers, the business case will need to help them understand the reality of the current business situation. That means providing comparisons with competitors’ value propositions and costs, where possible. Remarkably, much of that external information is available in the form of annual reports on the web and other publicly available information sources.

It is important that the business case ties back to the KBOs of the organization, focusing on measurements and benchmarks that underpin those objectives. The business case will need to identify improvement opportunities up front and any areas where the organization can out-perform its competitors. For each of those improvement opportunities, show how that change is achievable, along with an identification of any associated risk factors. Where possible, demonstrate and articulate the steps taken to mitigate those risks.

Measurement

Most successful firms already have a clear idea of their long-term objectives (their KBOs). What is sometimes less clear is the relationship between the measurement practices of the organization tied to the achievement of those objectives. As part of the business case development, it is a good idea to review the current approaches to measurement in the target area and develop a set of Key Performance Indicators (KPIs) that support the KBOs of the firm.

Many organizations have far too many metrics. Often, there is a lack of proper alignment with the KBOs or strategy of the company. Having too many metrics creates a situation where people quickly lose sight of what is important, as there are simply too many goals to manage against. This leads to unnecessary confusion and complexity, increasing project risk. The key is to ensure that any metrics collected explicitly link back to KPIs that are, in turn, aligned with key business objectives.

For example, a major retail bank in the UK found that they had literally hundreds of subtly different metrics (not to mention 130 different change programs that were leading to total confusion in the workforce). Breaking apart the overall set of metrics led to the identification of a relatively small set of metrics and benchmarks, allowing a rationalization of performance right across the firm. Most major organizations could tell a similar story – hundreds of different approaches to measurement, driven by a plethora of change initiatives (that may or may not still be in use) with the vast majority of them overlapping and largely irrelevant.

A review of performance metrics/benchmarks used will usually simplify the goals of the targeted BPM application considerably. If the overall objective of the pilot project is improved customer service, then focus on those measures that the customer really cares about, since they will make the most difference to overall performance. Once the project is complete, it is a good idea to review the measures used and develop a guide on the use of metrics within BPM projects generally.

The Goal Question Metric (GQM) technique developed by Victor Basili and his colleagues provides a useful way of ensuring alignment. The result is the specification of a measurement system targeting a particular set of issues and a set of rules for the interpretation of the measurement data. Each goal is refined into several questions that usually break down the issue into its major components. Each question is then refined into metrics, some of them objective, some of them subjective. Further information on the approach is readily available on the web (see <http://www.goldpractices.com/practices/gqm/index.php> for example).

Some useful questions to validate the effectiveness of a measure:

- What purpose will the measure serve? Who uses the measure? Does it tie back to the Key Business Objectives (KBOs)?
- How will data be gathered and used? How costly are the measures? What other measures should be eliminated or modified?
- Reward systems and behavior – does it reinforce the right behaviors? How much feedback goes to the employee?

For each measure, capture the reality of what is happening in the business at this point. Where possible, compare and contrast with the competitors. Establish realistic stretch targets for each of those metrics based on the reality of the current situation.

The importance of measurement and associated benchmarks cannot be stressed enough. When it comes to proving the benefits to the business later, base-line figures are essential to convince anyone doubting the merits of the project. The key point is to focus on the metrics that directly support the firm's KBOs.

Expand the Benefits

Be sure to highlight the potential for both hard and soft benefits. Given a definition of productivity based on the value delivered, divided by resources employed, hard benefits are easy to identify. Reducing the number of resources required to deliver a given value will drive up productivity. On the other hand, softer benefits are usually oriented around agility and the value side of the equation. They are far more difficult to quantify but equally important.

On the softer side of the equation, it is useful to survey and interview employees, customers, and suppliers. Do not limit this to the three biggest and most friendly customers. The objective is to uncover the authentic experience of the majority, rather than highlighting the tributes of a few. Translate any soft benefits to show how they support and enable the achievement of hard dollar objectives (usually framed around the KBOs of the organization).

The Role of BPM Technology

It is vitally important to leverage the capabilities of Business Process Management (BPM) technology in developing options and executing the business case. BPM technology is enabling innovative new ways of more rapidly developing and deploying business applications. It provides a fundamentally new capability that was previously unavailable (at least in a fully integrated application development environment). It allows the complete decoupling of business processes and application systems, permitting the consolidation and independent upgrade of back-end systems.

BPM technology provides the ability to model the business processes of the firm and then use those models to drive work through the business. A process engine keeps track of the state of individual cases of work, integrating relevant third party applications and ensuring traceability afterwards. As the needs of the business change, so do the process models. The firm adjusts these models to achieve the desired performance goals. The point is that through the effective use of BPM technology, the organization can continuously improve its processes through rapid iteration and adaptation.

There are two predominant “domains” of BPM technology – modeling and execution. It is worth touching on the endless fascination that IT departments seem to have around *selecting* the right process-modeling tool (as though the tool itself will make all the difference on success and failure). However, the time and money is better spent elsewhere. The reality is that firms need to focus also on developing skill sets and capabilities around process architecture and the implementation.

There are significant benefits associated with modeling, but they pale in comparison with those that derive from an effective BPM Suite. Modeling on its own is not enough. It is a good start but represents just one part of the wider picture. While many organizations have existing modeling repositories, their original purpose was normally to support other initiatives in other areas (i.e., they seldom relate directly to the BPM project focus). However, where effective models are available, make use of them, but do not set out first to populate a modeling repository. This sort of effort is usually time and resource intensive, consuming several man-years of effort building up a great deal of unnecessary detail that is often out of date before the modeling exercise is completed. Stand-alone modeling environments are generally a diversion on the path to achieving a successful BPM implementation. It is only when undertaking enterprise-wide initiatives that such modeling environments deliver some degree of benefit. In the short term, the best practice is to look for a BPM Suite that provides a fully integrated modeling repository.

Simulation techniques can help extrapolate into the future when quantifying and predicting the potential benefits. Simulation models can help uncover counter-intuitive tendencies in the envisaged process, and they can act as a confidence-builder, providing peace of mind to decision-makers. However, be aware that simulation models can consume a vast amount of resources in their development and testing. In addition, they are only as good as the assumptions and abstractions made within them. Use simulation models to test assumptions, not to hide the them.

The core components of a BPM Suite are a scalable process engine, a built-in modeling environment, a way of handling business data and content, a set of integration components (integrate existing applications), and an effective process monitoring/analytics capability to drive continuous process improvement. One company that combines all of these attributes in a single BPM Suite is FileNet. FileNet provides an effective BPM Suite that incorporates all of these features. Their business event-aware environment tightly integrates with the processes, content, and analytics capabilities – providing a continuous process improvement system to optimize business and operational performance.

Just focusing on the productivity and efficiency aspect for a moment, the BPM Suite is a critical enabler in this area. Through the electronic management of work items, hand-offs between roles are automated, while delays and errors are virtually eliminated. For example, at Woori Bank (Korea’s 2nd largest financial institution), they found that over 70% of the time of branch employees was spent on tedious back-end processes, limiting direct customer sales and marketing activities, and affecting employee morale. By automating the back end processes, the company was able to increase the time focused on value-added customer services to 70%. Indeed, their program aimed to deliver competitive advantage through service

differentiation. They refocused how employees spent their time toward generating new business and building stronger relationships with existing customers, while minimizing investments in non-revenue generating staff. Additionally, improving the process and reducing document retrieval time from several hours or days to 1-2 seconds halved loan-processing time halved – from six days down to three days. The result was a dramatic increase in customer satisfaction. They also saved over \$21m dollars and increased top line growth by an estimated \$115m.

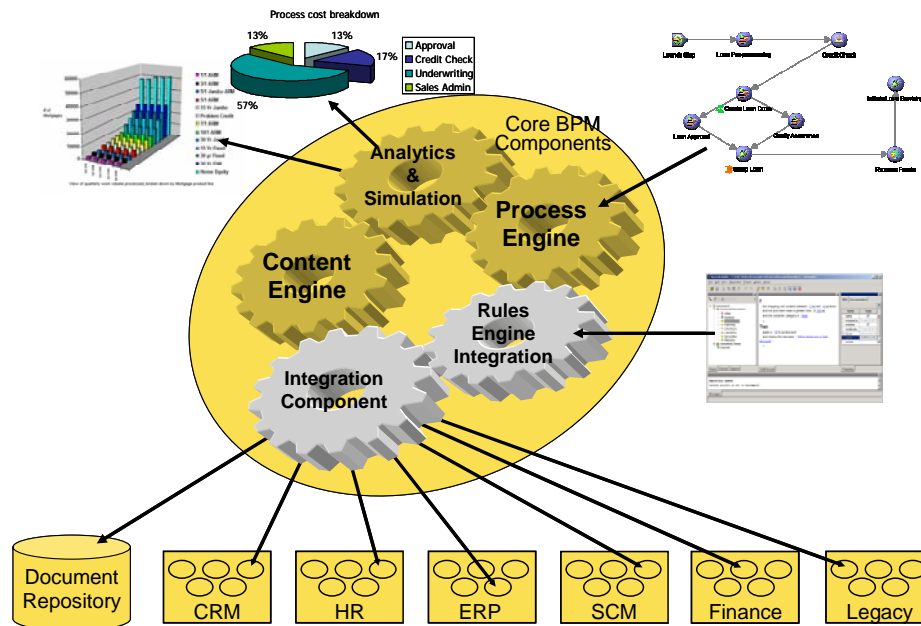


Figure 3 – Typical components in a BPM Suite

Recent advances in technology integration have really changed the landscape for BPM projects. The workflow management tools of the 90's soaked up as much as 70% of the project budget in integration work. Developers had to create individual scripts at each point where information from a third party system was required. Potentially, a complex application like an ERP system would have required thousands of such scripts. As a result, the complexity and cost was astronomical. Moreover, if the back end application or the process changed, then all of the relevant scripts needed redevelopment.

Now, modern BPM Suites incorporate sophisticated mechanisms that support the clean integration of third party applications. One of the key best practices is to employ a “service-oriented” approach using Web Services. Web Services provide a framework that enable easier connectivity and greater flexibility. They allow organizations to be more nimble and adaptable by enabling them to create and deploy applications more rapidly by easily assembling services for component applications.

As a result, the organization can now wrap and reclaim those “best of breed” package and legacy applications. It can ring fence them within reusable “service-oriented” business capabilities that quickly combine into new process models, which can then drive the business via the integrated process engine. When application systems are integrated around the needs of the process, the costs and difficulty of training staff can be reduced significantly. For instance, the California State University implemented an environment that allows employees to undertake all of their work without having to access any other systems. In addition to establishing the framework for future expansion and improving employee morale, they estimate that they have saved millions of dollars in training expenses alone.

There is also the critical need to manage the substance of those applications (the LOB data in all of its guises – transactions, structured content, documents, etc.). This is the data and information that describes the context of cases of work, supporting better decision-making and more comprehensive audit and compliance. The key requirement is that events relating to changes in state of the content (i.e., as objects are created, modified, or deleted, etc.) should automatically trigger the appropriate processes to deal with the change. Otherwise, it is back to having humans remember to respond.

For example, once a customer's mortgage application is created in the system, the process for managing that application instance should be immediately created and executed. If the mortgage is subsequently modified (say by raising the amount to be borrowed), then this *event* should *automatically* invoke the appropriate review process for that case. Supporting this requirement is a real challenge for many vendors. The content management and process engines need to be welded tightly to the integration components such that all process relevant data and information is accessible.

Most BPM environments have also included some form of business rules to support complex decisions. But the use of business rules can also simplify process development, allowing apparently different problems to share common processes (with the business rules component handling the variation). For example, a combined BPM Business Rules implementation within a Fortune 10 level company enabled the firm to simplify its core accounting process. The business rules component allowed one generic process to support interfaces to 60 different sales processes, each handling hundreds of products across 30 different operating companies. By extracting sophisticated rules into a responsive business rules component, the system can then more effectively support business change, straight through processing and compliance.

While all process engines imply support for business rules to a certain extent (conditional routing at a decision point in the process is one form of business rule), certain applications may need the capability to execute more sophisticated rules criteria and evaluate business policies. To do this, BPM Suites normally either integrate with third party rules engines or incorporate some capability internally. Often, those firms with a need for more sophisticated business rules already have an existing business rules engine in place (or already imbedded in a specialized application), and, therefore, the BPM engine should snap in to the current environment, re-using this functionality. Again, the use of Web Services will continue to make this type of integration much more straightforward and standardized.

BPM Suites should also feature built-in process analytics, real-time Business Activity Monitoring (BAM), and simulation capabilities. This enables the ongoing optimization of the process, supporting evolutionary change as the organization adjusts its processes in bite sized chunks post implementation. If the business need changes (as it *will* do), then it is now trivial to reorient the process to deliver the desired results. Once the infrastructure is in place, the technology can deliver continuous process improvement through incremental releases, relieving the pressure in a controlled manner (versus an all at once approach). One of the best practices points to keep in mind is that there is no such thing as a perfect process. Processes will require iterative improvement over time.

To support this, firms should look for an integrated suite that brings together all of the necessary components. Ensuring that a shared process model underpins the suite ensures the fidelity and accuracy of the model, as it is developed, deployed, monitored, analyzed, and optimized. This is in stark contrast with the alternative where a mix and match set of software products handle each distinct challenge. With this latter tactic, it is often difficult to maintain the fidelity and accuracy of models. As a result, project risk is increased.

This is especially true where a stand-alone process-modeling environment is used. Rather than a stand-alone add-on, process modeling is an integral part of the BPM Suite. Where an external modeling environment is used, experience shows that the import and translation is generally a problem. A lot of semantic information is missing or is not fully described (not well enough for execution). The harsh reality is that these models do not translate easily and will always require significant embellishment if they are to take advantage of the features of the BPM Suite. Furthermore, changes to the executed model in the process engine are then difficult to synchronize with the third party modeling tool. On the other hand, with an integrated suite based on a shared process model, the modeling environment is capable of fully describing the process. It normally incorporates mechanisms to validate the model and ensure its fidelity as changes occur over time.

Moreover, with an integrated suite supported by a shared model, firms can develop proactive responses to key business events such as a jump in interest rates, a hurricane in Florida, etc. This allows firms to create sets of well thought out actions in order to respond more quickly to changes in market conditions. Should that situation actually arise, the firm is much better prepared to redeploy its resources and processes.

There are other components that one could include, but the core set is based around the process engine along with its attendant content repository, integrated modeling tool, superior integration mechanisms for

third party applications, advanced analytics, and simulation. In addition, the process engine itself must be geared for high performance in order to address the eventual enterprise application needs that will demand the BPM system to support millions of transactions and thousands of users. Together, these elements (i.e., a comprehensive BPM platform) give managers both the vehicle and the levers for effective business performance optimization, allowing them to adapt and evolve more adroitly than competitors using traditional approaches. So when developing the business case, factor in these different capabilities and consider how they can help the organization as it relentlessly focuses on improving its KPIs and achieving its KBOs.

Step 4 - Gain Executive Sponsorship

A common concern, among those involved in BPM projects, is the perceived difficulty associated with gaining commitment from senior executives in the business. Projects can originate from various areas and individuals within the organization. They can come from the executive boardroom where there is recognition of the need to drive the organization toward its KBOs. They can also originate from the LOB itself or even IT. However, no matter what direction the project comes from, it is essential to identify an executive sponsor and champion.

Without an executive sponsor, a range of problems can arise and project risk is increased. The BPM Project Manager (see Step 5 – Form the BPM Project Team on page 12) may have trouble engaging affected business managers. Without a clear mandate from the top, the business may simply lose interest or divert resources onto other initiatives during the project. In addition, when the project completes successfully, the executive sponsor will help broadcast the results at senior levels and act as a catalyst for innovation on future BPM projects.

Typically, these individuals have job titles such as COO, CEO, LOB Manager, Senior VP, Business Unit Manager, or Director (collectively described here as Executives). While it is impossible to cover all possible scenarios, this section attempts to highlight and discuss some of the central issues.

To get the high-level commitment and sponsorship necessary for success, it is essential to get the executives' "intellectual" buy-in. The core tactic is to point to the business impact, and how the approach helps them drive the organization toward its strategic objectives.

Executives usually have a particular style and set of issues that they deem very important (their "hot buttons"). Understanding and working with these is critical. Remember that people have a lot of energy invested in the current approach (the processes), and their natural tendency is to reject initiatives that challenge the status quo. So take care when talking about their department or division. Instead of describing a business wrought with duplication and inefficiency, point to the issues but frame them in terms of opportunity. Rather than a negative, confrontational stance, help the Executives see the opportunity, engaging them into a collaborative effort that focuses on realizing the new vision.

When it comes to understanding how Executives make decisions, one has to keep in mind the typically frenetic lives they lead. Each Executive normally has a cadre of trusted employees from within their business unit or functional group who help them make decisions. To get the project on the agenda and accepted, it is important to reach and continuously engage these "influencers."

Even getting the attention of the Executive can be a challenge. The BPM project is probably competing with a broad range of existing organizational initiatives. In most organizations, there are literally hundreds of disconnected projects and schemes. Indeed, this can act as a good starting point for the conversation. Integrating all of these disparate change programs under one umbrella can help reduce confusion in the business and rationalize the metrics that are used.

So what strategies are effective? It is always good to help them understand the trends in the industry and strategies employed by competitors. While relevant case studies and reference articles or books can be useful, the key objective is to bring in a bit of realism, helping them to understand deeply what is, in fact, happening in their organization. One approach is to walk them through "a day in the life of an order" – physically walking around the business, tracing what happens. For example, at major insurance company, a health care claims process took an average of 7.6 days to complete. In an experiment, two senior managers, hand carrying the same claim, pushed it past the right parties in only 45 minutes.

To help build an understanding of customer perceptions at one of the major US banks, senior Executives committed to sitting with Customer Service Representatives for 2 hours per month to listen to what

customers were really saying about their firm. Others talk of holding regular “town-hall” meetings with employees. In other words, get the Executive to experience what is actually happening in the trenches and see the impact on the business. In the old days, it was known as “walking the job” – a senior manager would take the time to sit with employees and get a better picture of the issues being faced at the front line.

At Bank of America, the improvement team initially developed a series of 3-6 month education and awareness sessions for the executive team. These sessions were a sort of “Process 101” where the goal was to help them understand and focus on customers. The two key measures that the group focused on were customer satisfaction and cycle time. The BPM team sought to highlight the fact that the firm’s processes were the vehicles that deliver value and a common customer experience. The team was then able to demonstrate a causal relationship between well-designed processes, reduced cycle times, and improved customer satisfaction scores. Improvements in these two key measures provided the momentum to get the initiative moving forward.

Focus on the monetary return in terms of how the project will help the organization achieve its KBOs. At the heart of the argument, explain where savings and/or value innovations are going to come from; where opportunities exist to out-perform rivals; and detail how this sort of change is achievable. Avoid blanket statements around cost reduction. Focus on specific examples and point to specific improvements. In that way, people will better understand the opportunity since it will be more tangible and concrete. Also, highlight the risks but show what steps will help to minimize them. For longer-term BPM programs, set a series of stage gates and build a series of plans that will get the business to those stages.

It is worth keeping in mind that those Executives and LOB Managers have demanding performance objectives. BPM projects and the technology suites that support them will help them achieve those targets. So be aware of the challenges that they face. Help them understand how the BPM capability provides the mechanism that will deliver enhanced performance (doing more with less, more quickly), making the firm more agile and easier to do business with, and yet still ensuring compliance and reducing operational risk.

Step 5 – Form the BPM Project Team

The formation of an effective, cross-functional BPM Project Team is another critical step for the project. There are two general approaches. The first is to create a single team to develop and implement the Pilot project. This is an effective tactic as it allows the organization to focus on achieving a successful project – delivering a quick hit based on solving an immediate problem, proving the overall approach and delivering value in the short term. The BPM Project Team carries out the day-to-day work of the project, organizing and coordinating the work. Through the BPM Project Manager, the BPM Project Team is accountable to the Steering Group for the successful completion of the pilot project.

The other approach is to develop a BPM Center of Excellence (CoE). The idea is that a BPM CoE comprises a group of committed individuals who focus on how the processes of the firm drive bottom-line profitability and performance. Such a group is usually responsible for supporting a number of BPM projects across the business, and keeping momentum going across a broad front. They provide a group of resources that are well versed in the best practices of process improvement. They are usually responsible for developing common principles, language, frameworks, and methodologies for process development and process architecture management. In some companies, they have sought to develop an overall process architecture, clarifying how key processes interact and how they are used by the various business units.

However, in the early stages, the CoE can represent an unnecessary overhead as it typically has a much wider scope than is necessary for the pilot. The increasing complexity that comes with too many interlocked variables can slow down the pilot and increase the risk of failure. The CoE concept comes into its own as the BPM program starts to address the needs of the wider organization. With more and more projects, the need increases for a coordinated and integrated approach. In a sense, the CoE becomes a direct descendant of the Steering Group. While still separate from the Steering Group, it provides a central repository for knowledge and best practices around BPM projects. So, implementing a CoE is an evolutionary step as part of the BPM story and experience as it spreads across the entire organization – rather than a critical prerequisite for a successful pilot. Indeed, some firms prefer to remain fleet of foot, sticking with a series of quick-hit projects rather than undertaking the transition to a BPM CoE. However,

as you look at the opportunity more holistically, a COE provides a sound mechanism to maintain and ensure the momentum of process and business performance improvements

For a successful pilot, avoid the CoE route and keep the BPM Project Team relatively small but effective. If the Project Team begins life with too many people it can easily become bogged down. In the short term, focus on what is achievable and then, having built the core skills, the group can grow as it attacks more complex and demanding processes. The necessary roles are

- The BPM Project Manager – This individual will have day-to-day responsibility for running the BPM project. He or she will report to the Steering Group and is tasked with ensuring that the project remains on schedule.
- A Senior User from the area affected – Effectively, this person is the “Process Owner” for the affected business area. He or she will act as the primary project resource to handle political problems and maintain a focus on the business objective of the project.
- One or more Subject Matter Experts (SME) from the line-of-business (LOB) area – These individuals will have a consummate knowledge of the operational mechanics of the current way of doing things. They will also need a deep appreciation of the macro-level business objectives. An SME is needed for each of the major business areas affected (but not every role in the process).
- Lead Business Analyst (or Process Architect) – This individual will provide the analytical rigor and techniques for the project. He or she will guide the SMEs and Senior User, helping them to identify improvement opportunities. Additional business analysts/process consultants may be necessary.
- IT specialists – At least one or two are needed to advise on opportunities to leverage and re-use existing IT assets. These individuals will need a detailed understanding of the capabilities of the selected BPM technology and experience of integrating multiple systems.

One of the founding rules for a successful project is to ensure that Project Team positions go to suitably qualified individuals. In each of these roles, one is looking for experience and a deep level of understanding. When assembling people from the business, ensure that they have a profound appreciation of existing applications and work practices.

When looking for Business Analysts, one needs to find individuals that are business savvy, yet fluent in the capabilities of technology. They need a deep appreciation of the power of process and an intimate understanding of how change occurs inside organizations. The individual fulfilling the lead role will probably have experience of several major projects with process at their core. They will need to be well versed in Business Process Reengineering (BPR) principles and practices, and/or continuous process improvement (Six Sigma), and/or continuous quality improvement (TQM). Look for consummate diplomats who are capable of providing an effective bridge between IT and the business. This Business Analyst role is not suitable for a traditional IT systems analyst (who writes programming specifications). In some firms, the Business Analyst role has the title of Business Systems Manager where the individual acts as the primary interface between the IT department and the business unit or function.

Rather than allowing people to carry out roles for which they have little or no experience, it is probably better to take an external consultant. When selecting external consultants, be aware that virtually every consultant is trying to grow their expertise in this area. The key thing to look for is experience—experience in industry; experience in implementation; an understanding of best practices in change management and process improvement methodologies such as Six Sigma, TQM, and BPR; etc. You want people who understand the implications of BPM for business and have already seen it in action. Discern between the sales representative and those who will undertake the work. Consulting firms will talk expansively about their expertise and skill sets (often of those experts who are in sales mode). Look for specific skills and resumes from individuals proposed to participate in the engagement. Ask for their individual credentials in BPM and assess their BPM project experience with customers. If you are bringing in an individual as a “process expert,” look at the associated business results from the projects where their expertise was established. Checking customer references is also equally important when assessing expertise and credentials.

Step 6 – Understand the Process

The first challenge is to really understand the process – to step outside of it and see it for what it is. Automating a bad process just makes it go faster, exacerbating existing problems and potentially introducing new ones. Therefore, it is important to take a fresh look at how the process operates and the assumptions made about the underlying business need. Having deeply understood the process, it is much easier to see the opportunities for improvement before developing the improved process.

The temptation is to model to a high degree of detail. This is clearly difficult (if not impossible) and precisely the point where projects are stuck in analysis paralysis. The key argument to appreciate is that the detailed minutiae of the process are almost certainly a waste of time – the implemented solution will differ from the current way of doing things. The point is that what *most* people do is **not** the “best practice.” After getting stuck in “analysis paralysis” for a while, they tend to implement what they have (something that is much the same as the original). After a year or two, they suddenly realize there is another way of looking at the process, and they end up throwing out their first endeavor, re-implementing a radically improved process that reflects their newfound wisdom. However, along the way they have wasted several man-years of effort and untold lost opportunity space. They mistakenly believe that by modeling the intricate detail of their end-to-end process (with flow diagrams) they have captured and understood the process.

Obviously, a starting point is needed. However, it is more important to look beyond the basic approaches and methods that enable improvement. Nevertheless, ensure that there is enough detail to provide a baseline for future measurements, reflecting the true nature of the current process. Technology can help. Analysis of a detailed “as is” model (if available), using simulation tools, can lead to improvements and a reduction in risk. But this sort of analysis will seldom reveal radical improvement ideas for the process itself. This is where a skilled Business Analyst and/or Process Architect will really add value. These people should be well trained and versed in alternative ways of looking at processes.

The best practice is to model the process several times at a high level – using complementary techniques that provide contrasting perspectives on the process. This is a critical point. Many organizations lose sight of the real objective and laboriously model the “as is” situation. Remember that whatever the implemented solution, the critical success factor for a successful application is to rapidly iterate and improve the process over time.

All models are, in the end, just one representation of reality (the old adage from Deming is “all models are wrong, some are useful”). With fresh perspectives of the process, the team can truly understand, seeing things that were just not visible when the only technique used was a flow diagram. Consider the use of Role Activity Diagrams (RADs) and Object State Transition Network (OSTN) techniques as complementary to flow diagram based approaches.

- RADs focus on how a “*Role* changes state as a result of the actions and interactions that occur.” While looking superficially like some BPMN diagrams, the important point is that they allow people to focus on the behaviors and roles of the process, seeing who does what with whom. RADs also enable employees to see and understand the other roles in the process and more easily take the customer’s point of view. The technique is extremely compact – for example, in a major mortgage business, a 24-page flow diagram was effectively represented on a single sheet. The best reference for RADs is Martyn Ould’s book *Business Processes: A Rigorous Approach*.
- OSTN is part of a US DoD specification known as IDEF3 (Integrated Computer Aided Definition Language) and shows how things (the business objects) move through the process, changing state as different activities occur. The focus is on the object (not the order of activities). Effectively, the technique captures how the steps in the process modify and transform the state of the object. There are other modeling techniques that achieve the same sort of thing; but the key point is that these approaches focus the attention of the modeler on the steps in the process that *add value* (where the business object changes state).

When developing the initial set of flow diagrams (as, for most, that is the start point), ensure that the modeling team sticks to the core process and the major exceptions rather than attempting to capture every potential route through the activities. But ensure that the team understands how much effort and time goes into managing exceptions.

To design appropriate process architectures – ones that truly reflect the needs of both procedures and more fluid practices – is not a trivial exercise. This is not a technology problem but one of business design. First, analysts need to understand the process fully – which is not the same as modeling every detail of the process. The very act of modeling a process usually changes the process itself (as people discover the inefficiencies of what they are doing). However, more importantly, trying to model everything about the process will inevitably lead to analysis paralysis (especially using drill-down functional decomposition techniques).

The key point to understand is that process optimization is a journey and not a one-time event. Understanding comes from contrasting different perspectives rather than trying to stick to one *true* approach. Moreover, a range of models can certainly help to understand processes better prior to attempting to implement a technological support environment (the expensive part). Having understood the process at a high level, iterative development is the core technique required to deal with the dynamic, ever-changing business environment.

Step 7 – Identify Breakthrough Opportunities

The primary opportunities for breakthrough improvements in business performance derive from the effective deployment of the BPM Suite. The BPM Suite enables a wide range of business benefits. With an understanding of the capabilities of the BPM Suite and the needs of the process, it is relatively straightforward to spot the opportunities for breakthrough improvement.

Some of the techniques introduced here are well known, but have an important function in analyzing the process. These ideas are introduced to help the team recognize areas of inefficiency. To some extent, they overlap with each other.

Potential for Faster Cycle Times

The core advantage of the BPM Suite is that it enables the organization to automate back end processes, mixing them with manual steps in the front office. This reduces cycle-time and removes opportunities for errors, improving customer service while allowing the organization to move staff to higher, value-adding activities.

For example, Wells Fargo had grown dramatically through a series of key acquisitions. As a result, the Private Client Services group had to deal with a number of disparate information management systems. There was a lot of duplication in each of the 200 separate offices, time-and-labor intensive tasks that often had a negative impact on the company's most important commodity – customer service. Decision-making could take several days, and two-thirds of the time was spent in simply tracking down relevant information. By focusing on the process and the real needs of the trust administrators, the bank was able to slash the time taken to make discretionary payments from weeks to days. At the same time, they improved efficiency by over 40% and achieved annual cost savings of 15% with no reduction in headcount.

Enhanced Customer Service

A good example of enhanced customer service is the [Woori Bank](#) example given earlier. By automating the back end processes, the company was able to increase the time focused on value-added customer services to 70%. They refocused how employees spent their time, generating new business and building stronger relationships with existing customers, while minimizing investments in non-revenue generating staff. As a result, loan-processing times were cut in half – from six days down to three. This allowed to Woori to realize not only \$20-million worth of savings but also realize up to \$115-million in new business generation.

Channel Integration

Look for situations where the customer relationship is evolving across different digital channels such as mobile, the web self-service, call center, and kiosk. In the past, firms generally developed distinct systems and processes that dealt with each channel. However, this approach is fatally flawed as it makes it virtually impossible to deliver a consistent experience to the customer. Look for ways to link and integrate those different channels into the overall process. Use RADs to break down the potential customer interactions and how they will be reflected in the overall solution.

Work Items Handled Multiple Times

In document intensive processes, it is quite normal to find that work items are handled many more times than is necessary. For instance, at Miami-Dade County Clerk of Courts (the fourth largest traffic court system in the US), it was found that a typical citation was handled a minimum of 37 times, and half of all tasks consisted of moving paper from one desk to another. Because of streamlining the process (eliminating non-value adding manual tasks), installing a proactive process support system, and managing the associated documents, they have achieved a 30 percent increase in the caseload with 15 percent fewer staff members, leading to an annual saving of \$1 million in personnel costs alone.

Role Rationalization

Where possible, combine overlapping roles together to reduce the hand-offs and make better use of the resources available. The aim is to minimize the hand-offs. From a process point of view, that is where the risks often are. As work moves from one role to another, things can fall through the cracks and get forgotten or mislaid. All sorts of things can contribute to this risk factor, from staff sickness and absenteeism, through to information leakage and miscommunication.

Use RADs to understand the process from the human perspective, facilitating the design of effective job roles that can take on greater responsibility (the once-and-done or one-stop shop). It also focuses on the behaviors that roles need to exhibit and the sorts of interactions expected. Remember that systems and other processes can take on a role. Using RAD-based views of the process, it is relatively easy to spot roles that do not add much value (something that is quite hard to discover with a flow diagram).

Manage and Monitor Personnel Performance

The management and review of workers is poorly handled in many BPM implementations. While the overall BPM program may target business performance, at the team level there is seldom an adequate understanding of what this really means. Having understood what their people are capable of and having planned accordingly, team leaders need to track and monitor how well they actually perform against those targets. Through a focus on production management disciplines, some firms have derived as much as 40 percent additional productivity improvement over and above that achieved through the introduction of process automation using a BPM engine.

At its heart, production management is about the supervision of the people who work within the process – what their collective efforts can achieve, where they are struggling, how much work they have coming down the pipe, and what they have to get out the door today, tomorrow, this week, or by the end of the month. First, look carefully at how management plans, communicates, and allocates work to its employees. Then it is a case of monitoring, analyzing, and, of course, focusing on improvement over time. Focusing employees' attention of how much they have to get done in a short period of time (say 3 hours) can make a big difference in the amount of work they get through in a week.

At Halifax plc (an internationally famous financial services based in the UK), first line managers are now driven to understand how much work they have in the system and what is likely to arrive. In turn, this has allowed them to think more deeply about the performance of the individual team members, assessing their skills and personal development in a more holistic way. Individuals are assigned work within their capabilities and monitored against performance in terms of task completion and qualitatively. Managers are accountable against weekly plans. They must also predict productivity over the ensuing 12 weeks. As a result, the firm achieved a further 20 percent productivity improvement over the previous year alone. Week over week, output is still rising, and the costs of doing business are being driven ever lower. With over 2000 full time staff in the back office alone, that 20 percent improvement equated to 400 man-years – a big impact on the bottom line of the business. Moreover, the company achieved a real transformation in the overall management culture, building a virtuous circle of corporate performance, team working, and personal development.

Better Manage Exceptions

Very often, the management of exceptions is what differentiates an organization from its competitors. Further, given the backdrop of technology-based applications, the vast majority of the work and resources go into handling exceptions. A BPM Suite enables the automation of the core process with well-known exceptions managed in a standard and efficient fashion.

In the short term, stick to the core process and the obvious exceptions rather than attempting to cater for every possible scenario. In production, the process models used to drive the business are easily adapted to handle new exceptions as they become an issue. It is worth building in a mechanism to route exceptional items to the process owner for resolution (if not provided in the BPM Suite). The process can then evolve rapidly over time in a controlled fashion.

Integrate Data and Documents

In these days of increasingly complex compliance regulations such as Basel II and Sarbanes Oxley, content has become even more critical to decision making processes. That means that the management of associated content is an essential aspect and therefore needs to be incorporated effectively into process descriptions. Indeed, firing processes at critical points where content changes state is an effective way of ensuring the right information gets to the right people at the right time, allowing them to make the right decisions faster. In this area, products such as FileNet's BPM Suite have a clear advantage over other so-called pure-play BPM products.

Step 8 - Develop and Prototype on the BPM Suite

Having gone through the various stages of understanding the process and identifying improvement opportunities, the next challenge is to develop and implement the application. This is not as difficult as it may sound. Once the team has understood the process and developed a clear idea of how it will work in the new environment, it is normally a straightforward exercise to build the process models on your selected BPM Suite.

To avoid an expectation gap, re-engage the business with a series of prototypes. Some projects achieve this part in just a few days or weeks. Demonstrate the prototypes to affected managers and workers in the business and actively seek their feedback. It is important to listen actively and incorporate any suggestions into the next prototype. Because of the iterative nature of the BPM applications, it is important to take all opportunities to optimize performance on a continuous basis.

Moreover, prototyping provides a mechanism to ensure the user buy-in and ownership of the solution. If the business people see their suggestions reflected in the initially delivered solution, they will have a greater tendency to drive the iterative adaptation of the system once in production. To support this it is important that the BPM Suite include integrated simulation capabilities to enable better analysis of the process prior to implementation and "in flight" when in production.

Where a separate stand-alone process-modeling repository is used, it needs to be understood that it is typically not a simple exercise to export the set of process models and then import them into the BPM Suite. In such situations, it is quite normal for those process definitions (exported from the modeling repository) to require significant additional work to take advantage of the features of the BPM Suite. Generally, that involves integrating back end applications and related content, and implementing links to the organizational directory server (or equivalent mechanism within the BPM Suite). Moreover, any changes in the model in the execution environment are lost in the modeling repository, affecting process fidelity over time. As discussed earlier, a totally integrated (in-line) process model within a BPM Suite negates this problem.

Step 9 – Implement and Align Organizational Change

Changes to the organizational structure and associated roles and responsibilities go hand-in-hand with significant changes in process. As with all organizational change, there will be natural resistance that will need to be carefully planned and managed. Engaging specialist Organizational Development professionals into the project team will probably be useful.

To encourage the underlying cultural change required, focus on the generic roles and desired behaviors. Use RADs as a way to help people understand the process, the new role that they have to play, and the roles others will have to play. RADs will also help them see the customer's point of view, rather than limiting their scope to the activities they are directly involved in.

Training will play a big part in supporting that change and will require careful planning. In many firms, the training budget is not carried against the project itself as the functions are training their personnel anyway. A coherent communication plan is needed to ensure that the right message gets through to the right people.

Finally, it is important to establish regular monitoring and review practices, assessing performance against established benchmarks. This allows managers to identify issues before they become problems, further improving and enhancing performance. The business should also be encouraged to experiment with the underlying process models as they explore innovative ways to adapt to changing business needs.

Practical BPM Project Management

Process change initiatives often fail where management have attempted to set a path that is cast in stone, yet ignored the changes going on around them. So, be flexible in program and project management; otherwise, the whole initiative could quickly get derailed.

Remember that this is a collaborative effort between all parties concerned. It is essential to engage the business early and often throughout the project. Furthermore, a close partnership is needed between the business and IT to ensure success.

Given that, by definition, the BPM environment enables continuous adaptation of the solution – do not attempt to get everything perfectly mapped and running up front. Aim for an early implementation date, but plan on a period of rapid evolution to follow up the initial success. Work with the business to ensure that they take responsibility for this evolution by developing their own capabilities to handle the environment going forward. This is a key objective of change management – developing a business methodology that encourages process oriented thinking and continuous performance improvement. Indeed, the goal of the BPM project is to provide a continuous improvement mechanism for the business.

As stated earlier, this framework underlines the need to develop a repeatable BPM project methodology. With a successful project implementation, the team should take time to review the lessons learned and develop an inventory of skills developed. Overtime, it is these skills and experience that will form the underpinnings of a BPM Center of Excellence.

Pitfalls to Avoid

1. Excluding any of the affected business units from the Steering Group.
2. Spending too much time modeling the “As Is” process.
3. Failing to re-assess the metrics.
4. Failing to demonstrate benefits at regular review points (to better focus benefit managers' minds). Indeed, reviewing the performance of processes should become a key management discipline.
5. Failing to ensure that Senior Executives and LOB Managers really understand the new, underlying capabilities of BPM technology and the implications this has on business strategy and management.
6. Focusing on a single modeling approach and excluding others – even high level comparative approaches contribute to better understanding and better processes.
7. Assuming it is possible to develop the perfect system, first time. Process success comes from iteration and adaptation.
8. Assuming that the business is committed – typically, they are not initially.
9. Proceeding without executive level support.
10. “Selling” the project purely on staff reduction to the general workforce. This will impact user acceptance substantially.
11. Ignoring the training and organizational change management aspects.
12. Automating a badly designed process.
13. Failing to ensure consensus on business strategy and project priorities.
14. Failing to identify a suitable BPM Engine that easily handles content, integrates with packaged back-end applications, or provides a forward-looking business process infrastructure that delivers appropriate analytics.

15. Allowing the scope of the project to creep due to the lack of proper goal setting and associated agreements within the BPM Project Team and/or Steering Committee.
16. Failing to recruit the right team members with the proper skill-sets into the BPM project team.

Conclusion

BPM is a journey to increase business performance without a definable destination. While the bumps on the road ahead may sound daunting, they are easy to overcome. The right tools (techniques, approaches, etc.) will help the project to avoid the common pitfalls.

Developing the expertise and capabilities in-house may sound expensive, but the benefits to the business will certainly outweigh the perceived problems and cultural issues. Using the right techniques enables effective understanding at all levels of the organization. However, people need to see how the various procedures and practices combine and how they fit into the overall process. Once employees understand the overall process, they will begin to identify new ways of working which lead to performance and quality improvements.

Investments in process architecture are typically investments in operating assets for the firm (technology), and they can be significant. So ensure that an effective BPM Suite is selected – one that can act as an enabling platform for the ongoing monitoring, adaptation, and improvement of processes. The whole point is that, having got the basics right, the organization can adapt, improve, and innovate as it drives to increase business performance and market leadership.